

110TH CONGRESS  
1ST SESSION

# H. R. 2595

To amend the Securities Exchange Act of 1934 to require the disclosure of proxy votes relating to executive and director compensation by beneficial owners of more than 5 percent of a company's shares.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 6, 2007

Mr. MAHONEY of Florida (for himself and Mr. CASTLE) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Securities Exchange Act of 1934 to require the disclosure of proxy votes relating to executive and director compensation by beneficial owners of more than 5 percent of a company's shares.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. PROXY VOTES RELATING TO EXECUTIVE AND**  
4                       **DIRECTOR COMPENSATION BY CERTAIN BEN-**  
5                       **EFICIAL OWNERS.**

6       (a) IN GENERAL.—Section 13 of the Securities Ex-  
7       change Act of 1943 (15 U.S.C. 78m) is amended—

8               (1) in subsection (d)(1)—

1 (A) by redesignating subparagraphs (C),  
2 (D), and (E) as subparagraphs (D), (E), and  
3 (F), respectively; and

4 (B) by inserting after subparagraph (B)  
5 the following:

6 “(C)(i) information relating to how the votes  
7 for such shares were cast on any proxy or consent  
8 or authorization in respect of any such security re-  
9 lating to executive and director compensation pro-  
10 posals by the issuer of the security or by a share-  
11 holder, including a description of the matter voted  
12 on; and

13 “(ii) a description of any relationship between  
14 the person filing the statement and the issuer of the  
15 security and any affiliate thereof, or between the  
16 person filing the statement and any other person re-  
17 quired to file a statement under this subsection or  
18 under subsection (g)(1) with respect to any securi-  
19 ties of such issuer;”; and

20 (2) in subsection (g)(1)—

21 (A) in subparagraph (A), by striking “;  
22 and” and inserting a semicolon;

23 (B) in subparagraph (B), by striking the  
24 period and inserting “; and”; and

1 (C) by inserting after subparagraph (B)  
2 the following:

3 “(C)(i) information relating to how the votes  
4 for such shares were cast on any proxy or consent  
5 or authorization in respect of any such security re-  
6 lating to executive and director compensation pro-  
7 posals by the issuer of the security or by a share-  
8 holder, including a description of the matter voted  
9 on; and

10 “(ii) a description of any relationship between  
11 the person filing the statement and the issuer of the  
12 security and any affiliate thereof, or between the  
13 person filing the statement and any other person re-  
14 quired to file a statement under this subsection or  
15 under subsection (d)(1) with respect to any securi-  
16 ties of such issuer.”.

17 (b) REGULATIONS.—Not later than 180 days after  
18 the date of enactment of this Act, the Securities and Ex-  
19 changes Commission shall issue regulations to implement  
20 the amendment made by this Act, and shall include in  
21 such regulations a requirement that the information re-  
22 quired to be provided under subsections (d)(1)(C) and  
23 (g)(1)(C) of section 13 of the Securities Exchange Act of  
24 1943 (15 U.S.C. 78m), as amended by this Act, shall be

- 1 updated annually under subsections (d)(2) and (g)(2) of
- 2 such section.

